

Medicare Prescription Drug Plans Announced



Senior Health Insurance
Information Program

Ask SHIIP

Doris Higgins
Area Program Manager

Q: I do not have prescription drug coverage and want to learn more about what Medicare Prescription Drug Plans will be available to me.

A: Starting January 1, 2006 Medicare Prescription Drug coverage will be available to everyone with Medicare. This month Medicare announced the companies that are offering Medicare Prescription Drug Plans. These are insurance plans subsidized by Medicare so you only pay a portion of the cost. In Indiana, 16 companies are approved to offer 42 plans. (see www.cms.hhs.gov/map/map.asp)

Although Medicare Prescription Drug coverage has been described as having a standard benefit, it is important to note that the companies are allowed to deviate from that standard plan. Unclear how to compare? Medicare suggests you consider coverage, cost, and convenience.

Coverage: Each plan will have a formulary, a list of

prescription drugs that it covers. The formulary must include brand name and generic drugs, as well as, a range of drugs in the most commonly prescribed categories and classes. Medicare has established a list of the top 100 drugs used by people with Medicare. In Indiana the plans cover a range of 73 to 99 of the top 100 drugs. This is important because although you can choose a company based on whether or not they cover your current medications it is also important to consider if any future prescriptions will be covered.

Cost: Plans can charge different amounts for different drugs that are on their formulary. These are called "tiers". In Indiana most of the plans use a tiered payment system. Plans either have co-pays ranging from \$0 - \$69 or have coinsurance rates from 0% - 75%. The amount you pay depends on which tier your medication is on. The bottom line is: the more expensive brand name drugs will cost you more.

The plans being offered in Indiana have premiums ranging from \$12.30 - \$70.72 a month. Of the 16 companies in Indiana, all have a plan available for less than \$38/month. Deductibles range from \$0 - \$250. In Indiana over half the plans

have a \$0 deductible. This means the plan and Medicare will start paying sooner for your drugs.

It is important when considering cost to look at the whole picture. If you have a higher premium your co-pays may be lower or you may not have a deductible.

Convenience: The plans will have a network of preferred pharmacies. A plan may not cover your prescription if you get it filled out of network. If you travel a lot you should consider a plan that has a nationwide network. Most plans in Indiana also offer a mail order option, which is usually a good way to save additional money.

Next month's Ask SHIIP column will discuss further how to compare plans.

Note: In addition to the Medicare Prescription Drug Plans mentioned here you could also receive prescription coverage through a Medicare Advantage (Medicare managed care plan). Visit www.medicare.gov or call 1-800-Medicare or SHIIP at 1-800-452-4800 for additional information.

Source: www.medicare.gov & www.cms.hhs.gov

Address your questions to:

Ask SHIIP
311 W. Washington St, Ste. 300
Indianapolis, IN 46204
Or www.in.gov/idoi/shiip
1-800-452-4800 to request a
complete list of Prescription Drug
Plans available in Indiana

October 2005: Look for **Medicare and You 2006 handbook** in the mail. Companies start to **market** their **Prescription Drug Plans**. Other insurance should be sending you **letters** about your current prescription coverage and whether it is as good as, or better than, Medicare Prescription Drug Coverage.

SHIIP is a free, unbiased counseling program provided by the Indiana State Department of Insurance. For assistance, call your local SHIIP site to make an appointment or call the state office at 1-800-452-4800 to obtain a list of local SHIIP sites.